

GreenBank Capital Inc.

Condensed Interim Consolidated Financial Statements

April 30, 2020

(expressed in Canadian dollars)

(unaudited)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

These unaudited condensed interim consolidated financial statements of GreenBank Capital Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

GreenBank Capital Inc.
Consolidated Statements of Financial Position

(expressed in Canadian dollars)

(unaudited)

	Notes	April 30, 2020 \$	July 31, 2019 \$
ASSETS			
Current assets			
Cash		68,228	73,287
Accounts receivable		2,410	2,496
HST recoverable		35,562	52,130
Due from related parties	5	14,126	17,323
Prepaid expense		7,406	-
Total current assets		127,732	145,236
Non-current assets			
Exploration and evaluation assets	6	753,424	619,519
Investments	7	121,388	162,277
Investment in Staminier Limited	8	825,539	-
Investments in associate	9	18,151	20,009
Total non-current assets		1,718,503	801,805
Total assets		1,846,235	947,041
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		200,032	231,979
Advances payable	10	38,608	-
Due to related parties	11	300,791	704,050
Total current liabilities		539,431	936,029
Non-current liabilities			
Canada Emergency Business Account loan	12	40,000	-
Convertible loans due to related parties	13	324,362	-
Total non-current liabilities		364,362	-
Total liabilities		903,793	936,029
Equity			
Common share capital	14	4,375,074	3,549,533
Reserve for warrants	14	24,165	256,353
Contributed surplus	14	2,280,987	940,417
Share-based payment reserve	14	-	777,372
Foreign currency reserve		19,779	12,787
Deficit		(6,078,918)	(5,862,050)
Total equity attributed to owners of Greenbank		621,086	(325,588)
Non-controlling interest	15	321,357	336,600
Total equity		942,442	11,012
Total liabilities and equity		1,846,235	947,041
Going concern	2		
Discontinued operations	16		
Subsequent event	23		

Approved on behalf of the Board of Directors:

David Lonsdale
Director

Mark Wettreich
Director

The accompanying notes are an integral part of these financial statements

GreenBank Capital Inc.

Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

(unaudited)

	Notes	3 months ended April 30,		9 months ended April 30,	
		2020	2019	2020	2019
		\$	\$	\$	\$
			(Restated)		(Restated)
Revenue					
Other Income		-	-	-	15,943
Expenses					
Consulting expenses	12	20,182	77,620	76,484	178,219
Foreign exchange loss		(2,263)	-	(2,454)	1,010
Investor relations and market research		-	-	3,976	6,245
Office and general		6,781	4,528	43,671	63,401
Payroll		37,799	68,214	129,740	177,555
Professional fees		35,801	48,210	88,132	102,364
Public company costs	12	22,206	11,210	103,589	37,242
Stock-based compensation		-	-	26,865	-
Research and development		-	8,511	10,516	156,617
		120,506	218,293	480,519	722,653
Net loss from operations		(120,506)	(218,293)	(480,519)	(706,710)
Other expenses					
Provision for bad debts		1,907	-	-	-
Gain on sale of investments		-	97,500	-	97,500
Fair value adjustment on marketable securities	8	(20,445)	-	(40,889)	(40,889)
Impairment of exploration		-	(96,576)	-	(96,576)
Gain on loss of control of subsidiary		-	-	-	5,641
Gain on revaluation of equity interest		-	2,378	-	30,486
Loss on change in share of associate		-	(16,821)	-	(22,837)
Premium on net assets acquired		-	-	-	(35,010)
Share of loss of associates	9	65	(2,700)	(1,858)	(6,437)
Other income		-	-	29,168	-
Net loss from continuing operations		(138,979)	(234,512)	(494,098)	(774,832)
Net income (loss) from discontinued operations	15	(2,280)	177	39,588	(34,429)
Net loss		(141,259)	(234,335)	(454,510)	(809,261)
Other comprehensive income (loss)					
Net movement in foreign currency		(9,270)	(4,843)	6,992	(7,119)
Comprehensive loss		(150,529)	(239,178)	(447,518)	(816,380)
Net loss attributed to:					
Equity holders of GreenBank Capital Inc.		(61,635)	(49,926)	(309,377)	(585,648)
Non-controlling interest	13	(23,733)	(184,409)	(145,132)	(223,613)
		(85,368)	(234,335)	(454,510)	(809,261)
Net comprehensive loss attributed to:					
Equity holders of GreenBank Capital Inc.		(126,795)	(160,800)	(302,385)	(592,767)
Non-controlling interest	13	(23,733)	(78,378)	(145,132)	(223,613)
		(150,529)	(239,178)	(447,518)	(816,380)
Basic and diluted net loss per share - continuing operations		(0.00)	(0.01)	(0.02)	(0.03)
Basic and diluted net loss per share - discontinued operations		(0.00)	0.00	0.00	(0.00)
Basic and diluted net loss per share		(0.00)	(0.00)	(0.01)	(0.02)
Weighted average number of common shares outstanding - basic and diluted					
		40,067,678	27,570,866	30,652,272	27,518,416

The accompanying notes are an integral part of these financial statements

GreenBank Capital Inc.
Consolidated Statements of Changes in Equity

(expressed in Canadian dollars)

(unaudited)

	Common shares		Reserves			Foreign currency reserve	Deficit	Non- controlling interest	Total
	Number	Amount \$	Warrants \$	Share-based payments \$	Contributed surplus \$				
Balance July 31, 2019	27,320,024	3,549,535	256,353	777,372	940,417	12,787	(5,862,050)	336,600	11,014
Acquisition of interest in Staminier	22,494,262	825,539	-	-	-	-	-	-	825,539
Fair value adjustment for convertible loans	-	-	-	-	385,490	-	-	-	385,490
Capital transactions of subsidiary									
Private placement of flow-through units	-	-	-	-	-	-	-	68,000	68,000
Fair value of warrants issued	-	-	22,447	-	-	-	-	(22,447)	-
Fair value of finder's warrants	-	-	-	-	490	-	-	(490)	-
Share issuance costs	-	-	-	-	-	-	-	(1,224)	(1,224)
Exercise of warrants	-	-	-	-	-	-	-	10,000	10,000
Exercise of stock options	-	-	-	-	-	-	-	35,000	35,000
Option payment	-	-	-	-	-	-	-	22,500	22,500
Allocation of contributed surplus to common shares	-	-	-	-	8,315	-	(17)	18,550	26,848
Allocation of share-based payment to deficit	-	-	-	-	(90,785)	-	90,785	-	-
Allocation	-	-	1,718	-	3,335	-	1,741	-	6,794
Reallocation on expiry of stock options	-	-	-	(777,372)	777,372	-	-	-	-
Reallocation on expiry of warrants	-	-	(256,353)	-	256,353	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(309,377)	(145,132)	(454,510)
Other comprehensive income	-	-	-	-	-	6,992	-	-	6,992
Balance, April 30, 2020	49,814,286	4,375,074	24,165	-	2,280,987	19,779	(6,078,918)	321,357	942,443
Balance, July 31, 2018	27,201,664	3,531,198	256,353	1,262,928	454,861	4,096	(4,839,238)	(22,739)	647,459
Common shares issued for investments	235,714	70,714	-	-	-	-	-	-	70,714
Common shares owned by subsidiary reacquired	(100,842)	(30,253)	-	-	-	-	-	-	(30,253)
Return of common shares	(16,512)	(22,126)	-	-	-	-	-	-	(22,126)
Recognition of non-controlling interest on acquisition	-	-	-	-	-	-	-	576,988	576,988
Deconsolidation of non-controlling interest on disposition	-	-	-	-	-	-	-	(24,359)	(24,359)
Exercise of warrants of subsidiary	-	-	-	-	-	-	-	100,000	100,000
Distribution by plan of arrangement	-	-	-	-	-	-	(54,704)	-	(54,704)
Comprehensive loss for the period	-	-	-	-	-	(7,119)	(585,648)	(223,613)	(816,380)
Balance, April 30, 2019 (restated)	27,320,024	3,549,533	256,353	1,262,928	454,861	(3,023)	(5,479,590)	406,277	447,339

The accompanying notes are an integral part of these financial statements

GreenBank Capital Inc.

Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

(unaudited)

	Notes	9 months ended April 30,	
		2020	2019
		\$	\$
			(Restated) (note 16)
Operating activities			
Net loss		(454,510)	(809,261)
Non-cash adjustments for:			
Stock-based compensation		26,865	-
Gain on sale of investments		-	(97,500)
Fair value adjustment of marketable securities		40,889	40,889
Impairment of exploration			96,576
Share of loss of associates		1,858	6,437
Gain on loss of control of subsidiary		-	(5,641)
Gain on revaluation of equity interest		-	(30,486)
Loss on change in share of associate		-	22,837
Premium on net assets acquired		-	35,010
		(384,898)	(741,139)
Net changes in non-cash working capital			
Accounts receivable		(92)	(12,388)
Government HST recoverable		16,568	(33,167)
Prepaid expenses		(7,406)	30,212
Amounts payable and other liabilities		40,600	31,302
Net cash used in operating activities - continuing operations		(335,228)	(725,180)
Net cash provided by (used in) operating activities - discontinued operations		(20,278)	(4,042)
Net cash used in operating activities		(355,506)	(729,222)
Investing activities			
Expenditures on exploration and evaluation assets		(111,405)	(237,650)
Purchase of investments		-	(22,230)
Acquisition on subsidiary, net of cash acquired		-	211,246
Disposition of cash on loss of control of subsidiary		-	(16,653)
Proceeds on disposition of investments		-	97,500
Net cash provided by (used in) investing activities		(111,405)	32,213
Financing activities			
Loan proceeds		40,000	-
Advance from Staminier		38,608	-
Due from related parties		3,197	(16,218)
Due to related parties		278,251	214,363
Loans payable		-	(1,873)
Subsidiary transactions			
Private placement of units		68,000	-
Exercise of warrants		10,000	100,000
Exercise of stock options		35,000	-
Share issue costs		(1,224)	-
Net cash provided by financing activities		471,833	296,272
Foreign exchange impact on cash		(9,980)	(7,119)
Net change in cash		(5,058)	(407,856)
Cash, beginning of period		73,287	440,954
Cash, end of period		68,229	33,098

Non-cash financing and investing activities

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The accompanying notes are an integral part of these financial statements

GreenBank Capital Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 2020

(expressed in Canadian dollars)
(unaudited)

1. Nature of operations

GreenBank Capital Inc. (the "Company") was incorporated on January 30, 2013 under the laws of the Province of British Columbia. The Company is a public company whose common shares are listed for trading on the Canadian Securities Exchange under the symbol "GBC", and are also traded in the USA under symbol "OTCMKTS: GRNBF" and in Frankfurt, Germany on the Deutsche Börse under symbol FRA: 2TL. The head office of the Company is located at 100 King Street West, Suite 5700, Toronto, Ontario M5X 1C7.

The primary business of the Company is merchant banking. The Company owns an equity portfolio of small cap investments comprising 10-100% ownership positions:

	Ownership percentage	
	April 30, 2020	July 31, 2019
	%	%
Subsidiaries		
GreenBank Financial Inc.	100.00	100.00
Veterans Financial Group LLC ("Veterans")	–	100.00
North America Veterans Insurance Services Inc. ("North America")	100.00	100.00
Expatriate Assistance Services Inc. ("Expatriate")	100.00	100.00
Cannabis Blockchain Inc. ("Cannabis Blockchain")	100.00	100.00
Medik Blockchain Inc. ("Medik")	100.00	100.00
Kabaddi Games Inc. ("Kabaddi")	59.50	59.50
Blockchain Evolution Inc.	52.50	52.50
Gander Exploration Inc.	34.76	34.76
Buchans Wileys Exploration Inc.	25.16	25.16
Ubique Minerals Ltd.	22.34	23.51
Associate		
GBC Grand Exploration Inc.	47.47	47.47
Other		
The Lonsdale Group	10.00	10.00
Staminier Limited	19.00	–
Inside Bay Street Corporation	19.00	19.00
Minfocus Exploration Corporation	11.12	11.12
Reliable Stock Transfer Inc.	10.00	10.00

The operations of Veterans were discontinued and the company was dissolved on December 28, 2019. The operations of North America, Expatriate, Cannabis Blockchain and Medik were discontinued and the companies were dissolved on June 15, 2020. See note 17.

2. Going concern assumption

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has yet to generate significant revenues. As at April 30, 2020, the Company had a working capital deficit of \$622,120 (July 31, 2019 - \$790,793) and for the 9 months ended April 30, 2020, the Company recorded a loss of \$454,510 (2019 - \$809,261) and incurred a cashflow deficit from operations of \$355,506 (2019 - \$729,222). The working capital deficit, loss and cashflow deficit from operations limit the Company's ability to fund its operations and to further its merchant banking activities.

The continued operation of the Company is dependent upon the support of the Company's creditors and the Company's ability to secure equity financing, loans and advances from related parties to meet its existing obligations and further its merchant banking activities. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

The outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. To date, there has been no material impact on the Company.

These uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

3. Statement of compliance and basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim consolidated financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended July 31, 2019.

These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended July 31, 2019.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on July 29, 2020.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods, and have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the functional currency.

4. Significant accounting policies

Change in accounting standards

On August 1, 2019, the Company adopted the following amendment to standards:

IFRS 16, Leases ("IFRS 16")

This standard replaced IAS 17, *Leases*. IFRS 16 provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17.

As the Company is not a party to any leases, the adoption of this accounting standard had no impact on these financial statements.

5. Due from related parties

Due from related parties includes amounts due from companies with directors, officers and shareholders in common. The amounts are unsecured, non-interest bearing and due on demand.

6. Exploration and evaluation assets

	Ubique		Gander	Total \$
	Daniels Harbour \$	Kapusking \$	Cripple Creek \$	
Balance, July 31, 2019	499,362	119,465	692	619,519
Option payment paid in common shares of Ubique	–	22,500	–	22,500
Drilling and development costs	29,144	87,311	–	116,455
Recovery of exploration and evaluation	(5,050)	–	–	(5,050)
Balance, April 30, 2020	523,456	229,276	692	753,424

Daniel's Harbour

Ubique owns Daniel's Harbour consisting of 26 claims around the former Daniel's Harbour zinc mine situated approximately 10 km northeast of the town of Daniel's Harbour, Newfoundland.

Kapusking

On February 13, 2019, MinKap Resources Inc. ("MinKap") granted an option which entitles Ubique to earn a 55% or 70% interest in Kapuskasing in western Newfoundland, which comprises 42 claim units covering 1,326 hectares adjacent to Daniel's Harbour. In order to earn its interest, Ubique is required to make payments, issue common shares and incur exploration expenditures as follows:

	Payments \$	Common shares of Ubique		Exploration expenditures \$
		Number	Fair value \$	
<i>To earn a 55% interest</i>				
On signing of agreement (paid and issued)	10,000	500,000	100,000	–
September 15, 2019 (incurred)	–	–	–	100,000
February 12, 2020 (paid and issued)	10,000	500,000	22,500	–
February 12, 2021	–	200,000	–	–
February 28, 2021	–	–	–	200,000
September 1, 2021	40,000	–	–	–
February 28, 2022	–	–	–	300,000
February 12, 2024	–	–	–	400,000
	60,000	1,200,000	122,500	1,000,000
<i>To increase to a 70% interest</i>				
February 28, 2025	–	–	–	400,000
	60,000	1,200,000	122,500	1,400,000

Upon Ubique earning either a 55% or 70% interest, the companies will form a joint venture to continue exploration, or MinKap may elect to grant an option entitling Ubique to earn an additional 5% interest in the property for every additional work expenditure of \$100,000 to a limit of 95% interest, at which time, MinKap's interest shall be converted to a 2% net smelter royalty ("NSR"). Ubique will then have the right to buy back 1.75% of the NSR for \$2,000,000.

The underlying vendors are entitled to an NSR of 3% of which 2% may be repurchased for \$2,000,000. In addition, the underlying vendors are entitled to a bonus payment in the event that the Operator delineates a NI 43-101 compliant resource of a minimum of 5,000,000 tonnes of ore with a grade of at least 7% zinc.

Cripple Creek

As a result of the acquisition of control of Gander on March 27, 2019, the Company acquired Cripple Creek, consisting of 35 claims located 25 km north of the Town of Gander, Newfoundland.

Duder Lake

Gander also owns Duder Lake, consisting of 8 contiguous claims covering 200 hectares located 40 km north of the Town of Gander, Newfoundland.

7. Investments

	April 30, 2020	July 31, 2019
	\$	\$
Shares of Canadian public companies	61,333	102,223
Shares of Canadian private companies	60,054	60,064
	121,387	162,277

Investments held for sale consist of investments where the Company's interest is less than 20% and the Company does not otherwise have control or significant influence.

Shares in Canadian public companies are measured at fair value based on the shares quoted market price at the date of the consolidated statement of financial position. During the 9 months ended April 30, 2020, the Company recognized a loss in the fair value of its investment in the shares of a public company in the amount of \$40,889 (2019 – \$40,889).

Shares in private companies are recorded at fair value. Management determined that the cost of the Company's investments in shares of private companies as determine under IFRS 9 was the most reliable estimate of fair value.

8. Investment in Staminier Limited (“Staminier”)

On March 11, 2020, the Company acquired a 19% interest in Staminier, a United Kingdom-based merchant banking business whose overall strategy is to (a) acquire substantial interests in undervalued fast-growing companies with at least five years of profitability and proven cash flow and (b) provide private and public companies with business advisory, corporate finance and marketing services.

The Company issued 22,494,262 common shares in satisfaction of the purchase price of \$825,540, which was calculated using the net asset value of Staminier of approximately \$3,900,000 as reported in its audited financial statements at July 31, 2019. The purchase price is subject to reduction for any reduction in the net asset value of Staminier between July 31, 2019 and the date of the exercise of the call option or put option described herein. On closing, the shareholders of Staminier owned 44.93% of the Company's outstanding common shares.

In accordance with the terms of the share purchase agreement, on closing of the acquisition:

- a) Staminier provided the Company with a line of credit of \$480,000 for general working capital purposes. See note 10.
- b) Amounts due to related parties of \$709,855 were converted into 5-year 3% convertible loans. See note 11.
- c) Subject to the Company complying with regulatory requirements, including the filing of a prospectus, the Company will have a call option to acquire the remaining 81% of Staminier until September 11, 2020 (“Call Option”) in consideration of the issue of 87,789,202 5-year non-interest bearing, non-voting convertible loan notes which grant the holder the right to convert each loan note into one common share at a conversion price of \$0.0367 per common share.
- d) Staminier will have a put option to sell the remaining 81% of Staminier to the Company from September 12, 2020 to March 11, 2021 (“Put Option”) in consideration of the issue of 87,789,202 5-year non-interest bearing, non-voting convertible loan notes which may be converted into common shares at a conversion price of \$0.0367 per common share. Until such time as the Company files a prospectus, the notes cannot be converted if any conversion would result in the noteholders owning more than 45% of the outstanding common shares of the Company. Provided the net asset value of Staminier is not less than £2,250,000, the Company undertakes to file a prospectus within 90 days of a request to do so by the noteholders.
- e) Staminier has the right to nominate one person to the Company's Board of Directors.
- f) Until September 11, 2021, Staminier will have a call option to purchase up to 9,763,073 common shares of the Company owned by a shareholder for \$0.30 per common share.
- g) Any shareholder owning over 5% of the outstanding common shares of the Company is restricted from selling common shares until September 11, 2020.

The completion of the acquisition is subject to and conditional upon the reinstatement of the Company for trading by May 31, 2020 or such other date as the Company and vendors may agree, and at that time, the Company knowing of no reason why trading in the common shares will not also resume on the Börse Frankfurt and the US OTC Pink Market within 3 working days of the resumption of trading on the CSE. See note 23 for subsequent events.

9. Investment in associate

As at April 30, 2020, the Company held 47.47% of the outstanding GBC Grand common shares (July 31, 2019 – 47.74%).

	\$
Balance, July 31, 2019	20,009
Share of loss	(1,858)
<u>Balance, April 30, 2020</u>	<u>18,151</u>

The following is a summary of the statement of position of GBC Grand and a reconciliation to carrying amounts as at April 30, 2020:

	\$
Assets	
Current	
Cash	4,600
<u>Exploration and evaluation</u>	<u>57,324</u>
	<u>61,924</u>
Liabilities and shareholders' equity	
Current	
Accounts payable and accrued liabilities	6,288
Due to the Company	14,170
	20,458
<u>Shareholders' equity</u>	<u>41,466</u>
	<u>61,924</u>

Reconciliation to carrying amount:

<u>Share percentage ownership of GBC Grand</u>	<u>47.47%</u>
	\$
Company's share of net assets of GBC Grand	19,684
Difference between the Company's share of net assets of GBC Grand and carrying value	325
<u>Carrying value of investment in GBC Grand</u>	<u>20,009</u>

The following is a summary of the statement of loss of GBC Grand for the 9 months ended April 30, 2020:

	\$
Expenses	
Professional fees	452
Consulting fees	1,625
Public company costs	1,696
General and administrative	140
<u>Loss</u>	<u>3,913</u>

10. Advances payable

Upon reinstatement of the Company for trading by May 31, 2020 or such other date as the Company and vendors may agree, Staminier will provide the Company with a line of credit of \$480,000 for general working capital purposes. Initially, \$240,000 ("Initial Loan") will be advanced in 6 bi-weekly instalments of \$40,000 and provided the Company is using its best efforts to acquire the remaining 81% interest in Staminier ("Acquisition"), an additional \$240,000 ("Supplementary Loan") will be advanced in 9 monthly installments of \$26,667. The Initial Loan will bear interest at 5% per annum paid quarterly and in the event the Company completes the Acquisition, the Initial Loan will be interest free. The Supplementary Loan will be interest free. In the event that the Company does not complete the Acquisition, the Initial Loan and Supplementary Loan (collectively, "Loans") shall be repaid on the earlier of the Company raising more than \$1,000,000 from the issue of common shares and December 31, 2021. In the event that the Company completes the Acquisition, the Loans shall be repaid on the earlier of the Company raising more than \$1,000,000 from the issue of common shares and December 31, 2022. The Loans will be secured by a fixed charge over all the assets of the Company.

At April 30, 2020, no advances had been made by Staminier, however, the Company received an advance of \$38,608 from a third party. See note 23 for subsequent events.

11. Due to related parties

Due to related parties includes amounts due to companies with directors, officers and shareholders in common. These amounts are unsecured, non-interest bearing and due on demand.

12. Canada Emergency Business Account loan

The Government of Canada announced that it will be providing the Canada Emergency Business Account loans (“CEBA Loan”) to support Canadian businesses that have been adversely affected by COVID-19. On April 20, 2020, the Company received a CEBA Loan of \$40,000. The CEBA Loan is government guaranteed, interest-free until December 31, 2022, and if not repaid by December 31, 2022, it will be extended for an additional 3-year term bearing interest at the rate of 5%. The term loan can be repaid at any time without penalty, and if, \$30,000 is repaid by December 31, 2022, the remaining \$10,000 will be forgiven.

13. Convertible loans due to related parties

On March 11, 2020, amounts due to related parties of \$709,855 were converted into convertible loans which are unsecured, bear interest at 3% payable annually and are due on March 11, 2025 (“Convertible Loans”). From September 11, 2020 to March 11, 2025, the Convertible Loans are convertible at the option of the holder into common shares at a conversion price equal to the greater of \$0.30 per common share and the closing price of the Company's common shares on the conversion date. On March 11, 2025, the Company has the option to redeem the Convertible Loans for cash or require conversion of the Convertible Loans into common shares at a conversion price of \$0.30 per common share, providing that the common shares are still listed for trading on the Canadian Stock Exchange or equivalent exchange.

The Convertible Loan is a contract comprised of a loan and a conversion option derivative in respect of option of the holders to convert the Convertible Loan into common shares. The Company has designated the entire contract to be accounted at fair value through profit and loss. The Company has initially recognized the fair value of the contract of \$324,365 as the present value of principal and interest payments using a discount rate of 20%. The difference between the face value and present value of \$385,490 has been credited to contributed surplus.

14. Share capital

Authorized

An unlimited number of common shares without par value

An unlimited number of \$0.33 Series C non-voting preferred shares.

Issued

The number of issued common shares at April 30, 2020 and July 31, 2019 includes 150,000 common shares that are held by the Company's subsidiary, Blockchain and 100,842 common shares that are held by the Company's subsidiary, Ubique, which have been treated as treasury shares and excluded from the number of outstanding common shares.

Warrants

A continuity of the Company's outstanding warrants is presented below:

	Weighted- average exercise price \$	Number of warrants
Balance, July 31, 2019	0.98	471,357
Expired	0.98	(471,357)
Balance, April 30, 2020	—	—

Stock options

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis. The following table summarizes the activity in stock options over the period.

A continuity of the Company's outstanding stock options is presented below:

	Weighted- average exercise price \$	Number of stock options
Balance, July 31, 2019	1.29	792,896
Expired	1.29	(792,896)
Balance, April 30, 2020	–	–

On February 4, 2020, the Company granted 2,533,386 stock options to directors and employees, which shall vest upon grant and entitle the holder to purchase one common share for \$0.30 for 3 years. At April 30, 2020, the stock option plan and grant of stock options were subject to the approval of the Canadian Stock Exchange and accordingly, the stock option granted are not shown as outstanding as at April 30, 2020. See note 23 for subsequent events.

15. Non-controlling interests

A continuity of the non-controlling interest by subsidiary is as follows:

	Blockchain \$	Kabaddi \$	Ubique \$	Buchans \$	Gander \$	Total \$
Balance, July 31, 2019	(142,863)	(12,396)	514,073	(24,205)	1,991	336,600
Common shares issued						
Option payment	–	–	22,500	–	–	22,500
Private placement	–	–	68,000	–	–	68,000
Exercise of warrants	–	–	10,000	–	–	10,000
Exercise of stock option	–	–	35,000	–	–	35,000
Allocation of warrant reserve	–	–	(22,937)	–	–	(22,447)
Allocation of contributed surplus	–	–	18,500	–	–	18,060
Share issuance costs	–	–	(1,224)	–	–	(1,224)
Share of net loss	(5,091)	(18,052)	(102,491)	(14,470)	(5,028)	(145,132)
Balance, April 30, 2020	(147,954)	(30,448)	541,471	(38,675)	(3,037)	321,357

16. Discontinued operations

The operations of Veterans were discontinued and the company was dissolved on December 28, 2019. The operations of North America, Expatriate, Cannabis Blockchain and Medik were discontinued and the companies were dissolved on June 15, 2020. The operations of these companies have been reclassified as discontinued operations.

The results of each of the discontinued operations for the 9 months ended April 30, 2020 and 2019 is summarized, as follows:

	Veterans		North American		Expatriate		Cannabis Blockchain		Medik	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Revenues	2,877	69,955	–	–	–	–	–	–	–	–
Expenses	8,964	104,383	736	171	572	307	565	–	407	45
	(6,087)	(34,429)	–	–	–	–	–	–	–	–
Gain from settlement of outstanding dues	47,955	–	–	–	–	–	–	–	–	–
Income (loss)	41,868	(34,429)	(736)	(171)	(572)	(307)	(565)	–	(407)	(45)

17. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts receivable, due from related parties, accounts payable and accrued liabilities, advance payable and due to related parties

The fair values of cash, accounts receivable, due from related parties, accounts payable and accrued liabilities, advance payable and due to related parties at April 30, 2020 approximated their respective carrying value due to their short term to maturity.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1: quoted prices in active markets for identical assets and liabilities;
- Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data

Investments in Canadian public companies are classified at Level 1 of the fair value hierarchy.

18. Financial risk management

The Company's activities expose it to a variety of financial risks that arise from its investment, exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is equal to the Company's cash and due from related parties. The Company limits its exposure to credit risk on its cash by holding deposits with high credit quality Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties.

The Company has no revenues and the continued operation of the Company is dependent upon the support of the Company's creditors and the Company's ability to secure equity financing, loans and advances from related parties to meet its existing obligations and further its merchant banking activities (note 2).

The following table sets out financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Accounts payable and accrued liabilities \$	Advances payable \$	Due to related parties \$	Loan payable \$	Convertible loans \$	Total \$
Less than 1 year	200,032	38,608	300,791	-	-	539,431
1-5 years	-	-	-	40,000	709,552	749,552
More than 5 years	-	-	-	-	-	-
Balance at April 30, 2020	200,032	38,608	300,791	40,000	709,552	1,288,983

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk

The Company is exposed to equity price risk with respect to marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at April 30, 2020 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by \$6,133.

Currency risk

Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash in Canadian dollars.

Interest rate risk

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments and the interest rates on financial liabilities are fixed.

Capital management

Capital of the Company consists of common shares, reserve for warrants, contributed surplus, share-based payment reserve, foreign currency reserve and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can make investments for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company has no revenues and the continued operation of the Company is dependent upon the support of the Company's creditors and the Company's ability to secure equity financing, loans and advances from related parties to meet its existing obligations and further its merchant banking activities (note 2). In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

19. Related party transactions and disclosures

Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	9 months ended April 30,	
	2020	2019
	\$	\$
Salary	75,000	87,899
Consulting fees	51,250	5,000
	<hr/>	<hr/>
	126,250	92,899

For the 9 months ended April 30, 2020, the Company incurred transfer agent fees of \$20,825 (2019- \$5,113) to a company with common majority shareholders, for the provision of share transfer services.

See notes 5, 11 and 13 for other related party transactions.

20. Segmented information

The Company has four reportable segments: merchant banking, financial services, software development and mineral exploration.

The Company evaluates performance and allocates resources based on profit or loss from operations before income taxes as well as results from operating activities. All the operations are in North America hence no geographical segmental information is provided. Information on reportable segments is as follows:

	As at April 30, 2020 \$	As at July 31, 2019 \$
Segment assets		
Merchant banking	1,043,020	239,670
Financial services	1	178
Software development	780	3,357
Mineral exploration	802,434	703,836
	<u>1,846,235</u>	<u>947,041</u>
Segment liabilities		
Merchant banking	927,666	466,478
Financial services	11	169,494
Software development	183,705	215,120
Mineral exploration	177,901	84,937
	<u>1,289,283</u>	<u>936,029</u>
	9 months ended April 30, 2020 \$	9 months ended April 30, 2019 \$
Revenue		
Merchant banking	-	97,500
Financial services	-	69,955
Software development	-	-
Mineral exploration	-	-
	<u>-</u>	<u>167,455</u>
Segment income (loss)		
Merchant banking	(282,817)	(410,467)
Financial services	43,586	(34,600)
Software development	(56,262)	(158,289)
Mineral exploration	(159,016)	5,187
	<u>(454,510)</u>	<u>(598,168)</u>

21. Restatement

The financial information for the 3 months and 9 months ended April 30, 2019 have been restated.

The Company previously accounted for its interests in Ubique and Buchans as investments in associates using the equity method. The Company determined that effective October 5, 2018, the Company obtained control of Ubique and Buchans requiring the restatement of amounts previously reported for the 3 months and 9 months ended April 30, 2019 to consolidate the operations of Ubique and Buchans and to expense certain costs as exploration and evaluation that were previously capitalized as an intangible asset.

The effect of the restatement was as follows:

	3 months ended April 30, 2019 \$	9 months ended April 30, 2019 \$
Revenue		
Net loss and comprehensive loss	(107,498)	(102,811)
Loss per share	-	-
Cash used in operating activities		(73,512)
Cash provided by investing activities		34,287
Cash used by financing activities		(46,037)

22. Non-cash financing and investing activities

	9 months ended April 30,	
	2020	2019
	\$	\$
Issuance of common shares for investment		
Ubique	–	285,233
Buchans	–	25,124
Gander	–	19,642
Return of common shares	–	22,126
Conversion of due to related parties to convertible loans	709,855	–

23. Subsequent events

Reinstatement of trading

On July 27, 2020, the Company filed an updated Listing Statement and the stock option plan and grant of stock options on February 4, 2020 were approved. On July 28, 2020, the Company was reinstated for trading on the Canadian Securities Exchange.